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SURFACE TRANSPORTATION BOARD
Washington, DC 20423

Office of Economics, Environmental Analysis, and Administration

August 29, 2005

Mr. David H. Coburn
Steptoe & Johnson, LLP
1330 Connecticut Avenue, NW
Washington, DC 20036-1795

Re: Tongue River Railroad Company, Inc. – Finance Docket 30186 (Sub-No. 3) –
Construction and Operation of the Western Alignment; Information Request

Dear Mr. Coburn:

On behalf of the Surface Transportation Board's (Board's) Section of Environmental Analysis (SEA), I am writing you to request additional information to assist us in assessing the air quality issues in the Final Supplemental Environmental Impact Statement (Final SEIS), which SEA is preparing for Tongue River Railroad Company's (TRRC's) proposed construction and operation of the Western Alignment which is located in Rosebud and Big Horn Counties, Montana. I have set forth the information requests below, together with some additional explanations and related questions.

First, we would like information on where capacity constraints exist in TRRC's or BNSF's rail network that will limit rail movements on the proposed Western Alignment. What are the limiting capacity factors and where are they located? Are there capacity constraints located on the BNSF line east of Miles City, on the TRRC north-south line running through Ashland, or in the PRB mine areas? If there are currently no capacity constraints, how much additional traffic would the route be able to handle before reaching capacity? Ideally, answers would be provided in terms of current capacity (on a trains per day basis), and expected, future capacity (also on a trains per day basis).

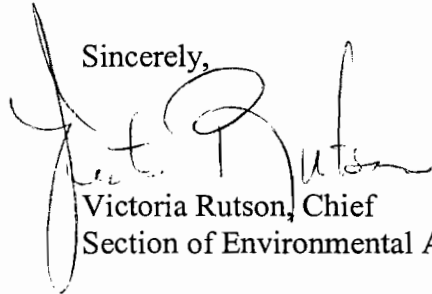
Second, we would like to confirm that the current record for the Sub-3 proceeding is up-to-date and accurate. Have there been changes of note since the record was updated by TRRC's May, 2003 filing of supplemental evidence in support of the April, 1998 application? SEA is particularly interested in expected tonnages of coal hauled, anticipated coal volumes from Ashland area mines, and the permit status of the Ashland area mines. In addition, has TRRC produced any estimates of the which plants it expects to serve, what the mileage savings will be to those plants from using TRRC, and what market share TRRC would expect capture? We

would like this information for both traffic TRRC expects to originate from Ashland mines and traffic TRRC expects to carry as a bridge carrier for BNSF originated traffic in the PRB.

Last, we would appreciate any available information on the differences in coal chemical composition and quality, if any, between the Decker and Ashland mines and between the Wyoming and Montana mines served by TRRC's proposed construction. This information will enable us to address the issues of "substitution" of coal, the "replacement" value of the coal, and the "usability" of the coal by utilities.

If you have any questions or would like additional information, please do not hesitate to Kenneth Blodgett of my staff by telephone at (202) 565-1554, fax at (202) 565-9000, or e-mail at blodgettk@stb.dot.gov. We look forward to hearing from you.

Sincerely,

A handwritten signature in black ink, appearing to read "Victoria Rutson", is written over the typed name.

Victoria Rutson, Chief
Section of Environmental Analysis